

VZCZCXYZ0000
PP RUEHWEB

DE RUEHLP #1573/01 2001847
ZNY CCCCC ZZH
P 181847Z JUL 08
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 8026
INFO RUEHAC/AMEMBASSY ASUNCION 8162
RUEHBO/AMEMBASSY BOGOTA 5521
RUEHBR/AMEMBASSY BRASILIA 9457
RUEHBU/AMEMBASSY BUENOS AIRES 6676
RUEHCV/AMEMBASSY CARACAS 3782
RUEHPE/AMEMBASSY LIMA 4060
RUEHMD/AMEMBASSY MADRID 4120
RUEHMN/AMEMBASSY MONTEVIDEO 5624
RUEHQT/AMEMBASSY QUITO 6401
RUEHSG/AMEMBASSY SANTIAGO 1122
RUEAIIA/CIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
RHMFISS/HQ USSOUTHCOM MIAMI FL
RUMIAAA/USCINCSO MIAMI FL
RUEHBS/USEU BRUSSELS
RUEHUB/USINT HAVANA 1294
RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L LA PAZ 001573

SIPDIS

E.O. 12958: DECL: 07/19/2018
TAGS: [SNAR](#) [PGOV](#) [PREL](#) [EAID](#) [BL](#) [ASEC](#) [PTER](#)
SUBJECT: SCENESETTER FOR A/S SHANNON AND INL PDAS MCGLYNN

REF: A. LA PAZ 1499
[1](#)B. LA PAZ 1498
[1](#)C. LA PAZ 1494
[1](#)D. LA PAZ 1487
[1](#)E. LA PAZ 1460
[1](#)F. LA PAZ 1426

Classified By: Ambassador Philip Goldberg for reasons 1.4b,d

[1](#)1. (C) Summary: Embassy La Paz welcomes A/S Thomas Shannon and PDAS William J. McGlynn to Bolivia July 21-23. Although President Morales and a number of his close advisors have accused the USG, the Ambassador, and the Embassy of conspiracy during the past year, recent weeks have brought the government's rhetoric to new levels, including approval of actions against USAID in the Chapare and official allegations that Peace Corps volunteers are "intelligence personnel." The rhetoric has continued despite the Ambassador's July 7 meeting with President Morales. In some of your meetings you will likely hear accusations similar to the ones described in this scenesetter.

[1](#)2. (C) Your visit will provide a welcome sign of the unity of the U.S. administration. On multiple occasions, Morales and his advisors have suggested that mission Bolivia is in some way "rogue" and that Washington is unaware of the mission's alleged conspiracy against Morales and his government. Your meetings with Morales and his top advisors will underline that mission Bolivia is not distanced from Washington, but that in fact the actions of mission personnel are in accordance with U.S. policy. In public diplomacy terms, this is also an opportunity to present the same message to the Bolivian public as is presented to President Morales and other GOB officials. End summary.

- - - - -
Morales Alleges USG Involvement in Terrorist Attack
- - - - -

[1](#)3. (SBU) Following the June 21 dynamiting of a private television affiliate Unitel in Tarija, Senate President Ortiz gave a press briefing on June 27 where he revealed that the car used during the attack was rented by the Venezuelan Embassy (the driver of the car was a soldier assigned to

Bolivia's Presidency Ministry.) The Venezuelan Embassy later ran ads in major papers alleging USG involvement in the attack. On July 14 in Tarija, Morales declared, "I am sure, after listening to the latest information...that there was the presence of the U.S. Embassy in those things. The whole movement is very suspicious."

- - - - -
Peace Corps Alleged to be "Intelligence"
- - - - -

¶4. (C) In a speech given in Caracas July 5, Morales said that Peace Corps volunteers had taken pictures of him and other South American leaders in December 2006 (Note: As reported previously, it appears the two young AmCits were Maryknoll workers visiting Cochabamba. They were not Peace Corps volunteers. End note.) In a private meeting with the Ambassador on July 7, Morales repeated and expanded his accusations. Morales told the Ambassador: "You can't keep lying to me. I know (the Peace Corps) is an intelligence agency. I was told so on a trip to Belgium. Your own volunteer denounced you." Despite the Ambassador's explanation of the Peace Corps' history and his repeated denial that the organization is an intelligence operation, Morales' opinion will not be swayed.

¶5. (SBU) Presidency Minister Quintana, in a public speech on July 6 in the Chapare, listed the Peace Corps--along with USAID, DEA and NAS--as "arms" of the Embassy used to conspire against the Morales administration. Quintana declared that the Peace Corps is a dependency of the USG and that through the program, hundreds of students from the U.S. have arrived as intelligence agents. (Note: it was Quintana who started the campaign against USAID in a similar public presentation in August 2007. End note.)

- - - - -
USAID: Verbal and Physical Attacks
- - - - -

¶6. (SBU) On June 24, the six coca-growing federations of Chapare (Morales' most loyal support base) and five mayors of the region announced their intention to expel USAID from the region. These groups accused USAID of conspiracy and even support for the potential assassination of the president, while asserting that they would remove every trace of USAID from the region. On June 26, Morales provided a far-reaching endorsement of the cocaleros' goal, expanding it to an expulsion of any U.S. presence in the Chapare: "I salute the decision of the cocalero movement and the mayors of the tropics of Cochabamba. Now I feel, I hope that the Chapare won't only be a territory free from illiteracy (a nod to Cuban-sponsored literacy programs), but rather that the tropical zone of Cochabamba will also be a territory free from North American Imperialism."

¶7. (C) In August 2007 Presidency Minister Quintana made a televised attack against USAID's program, calling it interference in Bolivia's domestic affairs. In October 2007, Morales unilaterally decreed that all foreign assistance must be channeled through the Bolivian government, a decree rumored to be targeted at USAID. In April 2008, government officials widely declined to attend the annual USAID project fair (the Vice President attended last year), and on the same day, convoked USAID to a "portfolio review". When the results of this review revealed broad accomplishments and support for USAID's Integrated Alternative Development portfolio, the Bolivian government discontinued the review, instead issuing new regulations restricting NGOs and other organizations implementing foreign assistance. In addition to ad hominem attacks against the Ambassador, Morales has accused USAID of dividing the country and conspiring against the Morales government. These attacks have been leavened by private signals from some ministers that the Bolivian government cannot replace USAID's assistance in Bolivia and continued goodwill and support from the beneficiaries of USAID assistance.

- - - - -
Mission Security
- - - - -

¶18. (C) Following Morales' public praise for groups that attacked the chancery on June 9, we continue to have serious concerns about the Bolivian government's commitment to the mission's safety. In a response to our diplomatic note presented June 19, the Bolivian Ministry of Foreign Affairs (MFA) provided us a note that continued to defend its actions regarding the June 9 attack on the Embassy. Although the MFA said it will comply with its Vienna Convention obligations, it did not respond to our request that the government take appropriate action against protest instigator Roberto de la Cruz, who continues to threaten to burn the Embassy. The MFA's note addressed our concerns over the removal of the Police Commander of La Paz (who successfully defended the Embassy), claiming that the decision had already been made under a "programming policy." (Note: This response ignores Government Minister Rada's June 9 declarations that the police commander used "repressive force" and acted inappropriately against the demonstrators. End note.) Further, the GOB has never responded to our note asking for explanations of surveillance of U.S. facilities in La Paz and Santa Cruz.

- - - - -
Narcotics Affairs Section (NAS)
- - - - -

¶19. (SBU) On eradication--an important pillar toward certification--the Bolivian government is 10 percent ahead of last year's 6,300 hectares, which was higher than the 5,505 hectares eradicated in 2005, Morales' first year. The government has eradicated a total of 2,897 hectares in 2008, at an average rate of 22.9 hectares per day. Our bilateral agreement provides for a minimum of 5,000 hectares eradicated each year and a target of 8,000 per year. Most importantly, eradication has not kept pace with new plantings, so coca cultivation has been steadily increasing for the past four years, especially in the Yungas region. The Bolivian government is trying to achieve consensual eradication in the Yungas, but nothing can be guaranteed until after the referendum vote on August 10. Further progress in this region will continue to be delayed if the vote does not favor the Morales administration.

¶10. (SBU) The United States estimates a 7 percent increase in coca cultivation from 2006 to 2007, while UN numbers show an increase of about 5 percent. Total coca cultivation is around 29,000 to 30,000 hectares. The Bolivian government's stated policy is to achieve a net reduction in coca, down to 20,000 hectares.

¶11. (SBU) The Bolivian government's interdiction numbers are up across the board, and this program continues to produce results. Part of this increase is because there is more cocaine and illegal coca to seize, but part is also due to stepped-up police operations. While record seizures make good headlines, DEA is in the process of refocusing the government's counter-narcotic efforts away from static seizure efforts towards more complex investigations to break up major drug trafficking organizations. Most recently in June, Bolivian FELCN agents arrested 22 members of a drug trafficking organization in Santa Cruz who had 9.5 tons of precursor chemicals and over USD400,000 in cash.

¶12. (C) Judicial reforms are a key component to the certification process. The Bolivian government is willing, but lacks basic investigative and legislative tools to assist in this area, including wiretapping. The U.S. Department of Justice and NAS have worked with the Bolivian government on these legislative reforms, and on June 25 Vice Minister Caceres presented the proposed legislation for civil asset forfeiture, communication intercepts, and cooperation agreements. Communication intercepts poses the most problems because it would require a constitutional amendment. Other necessary legislative reforms include money laundering,

better control of precursors, and changes to the code of criminal procedure. Without these tools, the Bolivian government will continue to lack key capabilities to successfully investigate and prosecute counter-narcotics cases.

¶13. (C) With the upcoming September decision on certification, it is important for the Bolivian government to understand that their actions against the USG are being viewed closely. They must implement their own stated policies. We have made clear to them that certification is a results-based process and that they must produce real results, not more rhetoric. The Bolivian government has said that it wants net reduction of coca cultivation and "zero cocaine." It is far from achieving these objectives. The USG has worked closely with the Bolivian government at the technical level over the past two years, supporting eradication on a "consensual" basis (i.e., negotiated with the coca federations), providing more resources for increased police operations and more seizures. We have not publicly criticized social control, but it is clear that results are very uneven. While the Bolivian government meets the agreed minimum on eradication, works on legislative reforms, and makes more seizures and arrests, there is also more coca, more cocaine, and increased drug use in Bolivia and in the region (especially Brazil, Peru, and Argentina). This is not what the Bolivian government says it wants; it is not what we want. We want to continue cooperation with the Bolivian government, but it must be effective and produce results.

GOLDBERG